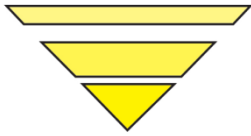


DIVISION OF
**DEVELOPMENTAL
DISABILITIES**



Division Directive Number
5.070

Effective Date: 12.01.05

Revision Date: 03.03.10; 02.05.16

Reviewed: 07.13.11; 12.03.12;
04.01.16

Valerie Huhn, Director

Title: Fiscal Review for Purchase of Service (POS) and Individual Funds

Applies to: Division of Developmental Disabilities (Division of DD) Regional Offices and contract providers that: 1) Manage benefits and other funds for individuals who are in services with the Division of DD; and/or 2) Receive reimbursement for services prior authorized by the Division of DD that are funded by the Department of Mental Health's Purchase of Service (POS) system.

Purpose: 1) Ensure all benefits and other individuals' funds managed by a Regional Office or contract provider are appropriately utilized to meet the needs, wants and desires of the individual; and 2) Ensure services authorized and funds paid to contract providers are provided and paid in accordance with the service requirements.

Fiscal Review Process:

The Individual Funds review is completed on an annual basis, with quarterly balance reviews; to ensure individual funds managed by a Regional Office and/or a contract provider are being managed according to DMH contract and Social Security Guidelines.

The Purchase of Service (POS) review is completed on an annual basis by fiscal year. The POS review is to ensure services authorized for individuals served by the Division are being provided and paid to contract providers according to service requirements. When a contract provider provides services within more than one Division of DD Regional Office delivery area, the Regional Offices will coordinate the fiscal reviews whenever possible/practical.

Fiscal Review Sample:

The sample size for the Individual Funds Review and the Purchase of Service Review shall be determined by the same methodology.

Fiscal Review staff will review 100% of all residential providers receiving individual funds on behalf of individuals whom the Regional Office serves as payee within a given fiscal year. Staff will randomly select 5 individuals from those individuals the Regional Office serves as payee. If fewer than 5 individuals are served, all individuals will be reviewed. Providers will be notified of those included in the sampling.

Fiscal Review staff will review 100% of all POS contracted providers providing a paid service within a given fiscal year. Staff will randomly select 5 individuals from those receiving funded services during the review period. If fewer than 5 individuals are served, all individuals will be reviewed. Providers will be notified of those included in the sampling.

I. INDIVIDUAL FUNDS REVIEW PROCEDURE

As required in Section 3.8 of the provider POS contract, providers are required to report to the Regional Office at least quarterly the account balance(s) for all individuals for whom the contractor holds funds in trust for which a Regional Office serves as payee. This includes funds from all sources that belong to an individual such as but not limited to wages, gifts, state or federal benefits, funds for personal spending or Supported Community Living (SCL) expenses, etc.

The quarterly ledgers for all individuals for whom the Regional Office serves as payee will be reviewed to ensure:

1. Beginning and ending balances are accurately recorded.
2. Individual funds maintained by the provider, combined with funds held at the Regional Office, do not jeopardize Medicaid eligibility. If total funds exceed \$999.99 determine if there is a plan in place to spend down the funds in a reasonable time frame.

A more thorough annual review will be conducted for those included in the sample group. The review will include at a minimum 3 months of individual records. This review can be conducted on site or providers may choose to send copies of their records to the Regional Office. The following items will be reviewed:

1. Identify all internal procedures to identify who has access to the individual's funds and what type of accounts the individuals have.
2. Ensure ledger sheets show all deposits, expenditures and beginning and ending balances.
3. Ensure individual funds are not commingled with contract provider funds and ensure separate ledgers are maintained for each individual. This includes individual ledgers/accounts for any funds held by the contract provider for Supported Community Living (SCL) residential budgets for room and board costs.
4. Ensure individual funds maintained by the provider, combined with funds held at the Regional Office, do not jeopardize Medicaid eligibility. If total funds exceed \$999.99 determine if there is a plan in place to spend down the funds in a reasonable time frame.
5. Account for cash on hand and identify who has access to the cash.
6. Ensure deposits are made within 5 days of receipt of funds.
7. Ensure individual's bank accounts have been reconciled monthly.
8. Ensure receipts or documentation exists for all purchases through personal spending money: including wages if not otherwise specified in the ISP.
9. Ensure individual cash withdrawals are signed by the individual and witnessed by a staff person. If individual is unable to sign, there must be evidence of agency accountability, i.e., ledger is signed by accountable staff and/or receipts are available for the cash that was disbursed. If it is impossible to obtain a receipt, a clear intended use of the funds should be documented on the ledger.
10. Determine if funds were used for the purposes for which they were received, for example, funds sent for approved room and board costs are used only for approved room and board costs.
11. Ensure any available funds have been returned to the Regional Office within 30 days after the death or transfer of an individual if the Regional Office is the payee of benefits.
12. Any purchases totaling \$100.00 or more per day from funds held at the home shall not be made without the written permission/approval of the authorizing Representative Payee. The approval documentation shall be maintained by the contracted provider and shall be available during the fiscal review.

13. Ensure funds appropriated for ongoing ancillary costs have no more than two months accumulation and are used for the approved purpose.
14. Ensure the contract provider has not charged the individual's personal funds for any expenses which the contractor is obligated to provide by contract or for items or services not clearly set out in 9 CSR 25-5.010 ([Chapter 5](#)).
15. Ensure auditable records are provided by the contract provider for all activities performed under the contract (this includes records of deposits, expenditure details, running balances, etc.) This should be reviewed for accuracy and completeness and compared to funding provided.

II. POS FISCAL REVIEW PROCEDURE

The compliance review of services will include a review of individual service records for a minimum of 3 months for individuals in the sample to determine if proper documentation exists to support billings. This review can be conducted on site or providers may choose to send copies of their records to the Regional Office. This review will include but is not limited to the following:

1. Ensuring services were provided in accordance with the DMH Contract and service definition requirements.
 - a. Includes comparing staff qualifications and trainings to the requirements per the service definition.
2. Review of provider documentation to ensure the services delivered matches the services that were authorized.
3. Review of documentation to ensure units billed and paid are adequately justified.

III. PROCESS FOR IDENTIFICATION, COMMUNICATION, AND RESOLUTION OF ISSUES

Within 30 business days of the annual review, Fiscal Review staff will prepare a written report outlining positive findings, recommendations for improvement, and/or requests for corrective action along with timelines when corrective action is needed. If an on-site review was conducted, Fiscal Review staff will conduct an exit conference with contract provider staff designated by the contractor's executive officer to summarize the findings.

Reports shall be sent to: the Contract Provider, Regional Director, Assistant Director of Administration, Assistant Director Habilitation (Satellite Offices), Quality Enhancement Supervisor, Provider Relations Lead, and, when applicable, the billing staff at the Regional Office. The contract provider shall have 30 business days to appeal any findings to the Regional Director or Assistant Director Habilitation (Satellite Offices). The Regional Director/Assistant Director Habilitation (Satellite Offices) shall respond in writing to the appeal request. Staff conducting the reviews will enter findings into **APTS** at the conclusion of the review.

The Regional Office may expand the fiscal review if the review results in one or more of the following:

- multiple accounting issues;
- reoccurring accounting/contractual/legal issues; and/or
- accounting issues from other quality functions.

If issues of theft or fraudulent billing are suspected, the Fiscal Review staff shall immediately notify the Regional Director/Assistant Director of Habilitation (Satellite Offices) who will notify their designated

Assistant Director. The Assistant Director shall notify the Deputy Director of Administration and Deputy Director of Community Operations of the issues or if there is a trend of non-compliance with the contract or service requirements. Any referrals for additional work to be conducted by the Central Office Audit Services staff must be approved by the Deputy Director of Administration and Deputy Director of Community Operations.

When a finding requires the recoupment of funds, the Fiscal Review staff will work with the Regional Office business office staff to initiate the recoupment and ensure the process is accurately completed. Fiscal Review staff and/or business office staff are responsible for providing technical assistance to the provider as needed on issues specifically related to financial management such as ledgers not balancing, negative balances or billings not matching services performed.

When other corrective action is required such as staff training, background screenings, education, qualifications or quality of documentation that is the responsibility of the Provider Relations Unit, they will monitor the timeline for completing the correction with the contract provider and shall provide technical assistance when required or requested (per Division Guideline #55 - [Provider Relations Policy](#)).

Regional Office staff responsible for working with the provider on resolution of findings will also be responsible for entering resolution into APTS.

Authority:

9 CSR 25-5.010 <http://www.sos.mo.gov/adrules/csr/current/9csr/9c25-5.pdf>

Division Guideline #55 Provider Relations Review <http://dmh.mo.gov/dd/docs/guideline55.pdf>

DMH Contract Section 3.8

DD Non-Waiver Service Definitions <http://dmh.mo.gov/dd/provider/docs/servicedefinitions.pdf>

Social Security A Guide for Representative Payees <https://www.socialsecurity.gov/pubs/EN-05-10076.pdf>